



**VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT**

Partners for Better Communities



Virginia Enterprise Zone

How to Apply Workshop

December 17, 2020

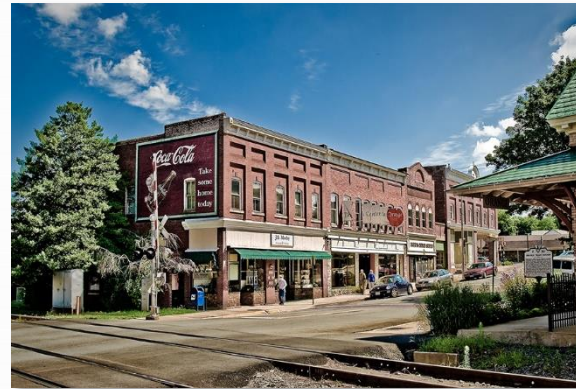
10 a.m. to noon



Agenda

- ▶ **Program Overview**
- ▶ **Real Property Investment Grant Qualification Process**
- ▶ **CPA Attestation Requirements**
- ▶ **Grant Year 2020 Application Submittal**

DHCD is committed to creating safe, affordable and prosperous communities to live, work and do business in Virginia.



EZ Program Overview

- ▶ The Virginia Enterprise Zone program is a partnership between state and local government to encourage job creation and private investment in targeted areas of the state.
- ▶ The program accomplishes this by designating zones throughout the state and providing two grant-based incentives, the Job Creation Grant (**JCG**) and the Real Property Investment Grant (**RPIG**).
- ▶ The two state incentives are available to businesses and Zone Investors who create jobs and/or invest in real property within the boundaries of Enterprise Zones.

Qualifying for State Incentives

- ▶ Qualification for the RPIG is based on the **calendar year** and administered **annually**.
- ▶ The cash grants are **performance-based**. Therefore, jobs must be created and real property improvements must be completed before the grant applications are submitted.
- ▶ Grant applications are always **due April 1st of the year after** the calendar year in which the real property improvements and job creation are completed. If April 1st falls on a weekend or holiday, applications are due on the first weekday thereafter. (**April 1, 2021**)

Qualifying for State Incentives

- ▶ The next round of Grant Applications will be due April 1, 2021, for Jobs Created and Real Property Investments Placed-into-Service during Calendar Year 2020.

Real Property Investment Grants



Qualifying for the RPIG

- ▶ Real Property Investment Grant
- ▶ The RPIG is available to investors that are undertaking **rehabilitation, expansion, or new construction** projects within the boundaries of Enterprise Zones.



RPIG: Eligible Properties

- ▶ The property (building or facility) must be located within the boundaries of a Virginia Enterprise Zone.
- ▶ The building or facility must be:
 - ❖ **Commercial:** *Including office and retail*
 - ❖ **Industrial**
 - ❖ **Mixed-use:** *At least **30% of useable floor space** is devoted to commercial, office, or industrial use.*
- ▶ **Facility:** *A group of buildings, co-located at a single physical location, involved in related operations, under common ownership and management.*

RPIG: Eligible Applicants

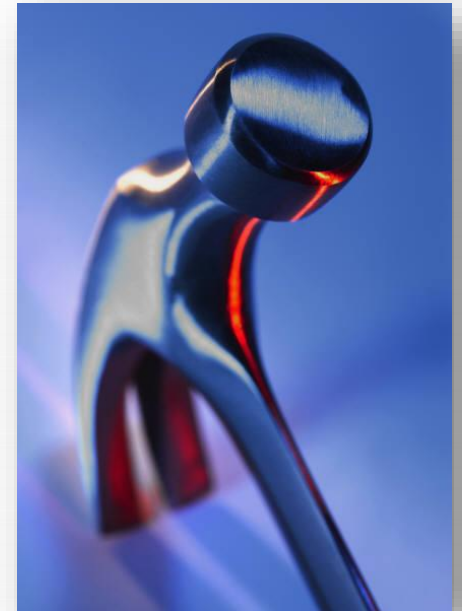
- ▶ A “**Qualified Zone Investor**” is any entity or individual capitalizing on the costs associated with the real property investment, such as
 - ❖ **Property Owners:** *Occupant or Non-Occupant*
 - ❖ **Multiple Owners:** *Rights to RPIG qualification should be coordinated with all other owners of the property.*
 - ❖ **Tenant:** *Tenants making leasehold improvements may apply for the RPIG with the owner’s permission, only if the improvements are capitalized by the tenant for tax purposes.*
 - ❖ **Developers:** *Rights to RPIG qualification should be reflected in the sale documents if property has been sold.*

RPIG: Eligibility Projects

- ▶ **Investment Thresholds:** In order to qualify for RPIG, a Zone Investor must meet a certain minimum investment threshold. Threshold requirements are categorized the **type of construction activity**.
 - ❖ **Rehab & Expansion:** **\$100,000** in Qualified Real Property Investments (QRPI)
 - ❖ **New Construction:** **\$500,000** in in Qualified Real Property Investments (QRPI)
- ▶ These thresholds must be met **each year** a RPIG is applied for, and do not carry over.

RPIG: Qualified Investments

- ▶ **Hard Construction Costs**
- ▶ **Structurally Part of the Building/Facility**
- ▶ **Examples of Qualified Real Property Investments (QRPI):**
 - ❖ **Carpentry**
 - ❖ **Ceilings**
 - ❖ **Demolition**
 - ❖ **Doors/windows**
 - ❖ **Drywall**
 - ❖ **HVAC**
 - ❖ **Painting**
 - ❖ **Plumbing**
 - ❖ **Masonry**
 - ❖ **Roofing**



RPIG: Ineligible Costs

► Examples of Unqualified Investments:

- ✗ Acquisition Costs
- ✗ Architectural fees
- ✗ Closing Costs
- ✗ Capitalized Interest
- ✗ Furnishings (window treatments & appliances)
- ✗ Insurance
- ✗ Leasing & Legal fees
- ✗ Machinery & Tools
- ✗ Permits, Inspection Fees
- ✗ Signage
- ✗ Utility Connection Fees
- ✗ Items Beyond the Property Line



RPIG: Calculating Awards

- ▶ The dollar amount of a grant is based on the amount spent on the Qualified Real Property Investments (QRPI).
- ▶ Grant awards = 20% of the QRPI made in excess of the respective eligibility threshold (\$100k or \$500k), with grant award caps based on the amount of investment. Grant awards are capped per building/facility over 5 years (consecutive term).
 - ❖ Up to \$100,000 per building/facility for QRPI of less than \$5 million
 - ❖ Up to \$200,000 for QRPI over \$5 million

The \$5 million threshold to unlock the 2nd \$100,000 is cumulative over a 5 year period, where multiple investments have been made.

RPIG: Calculation Examples

Examples:	<u>Rehab</u>	<u>New</u>	<u>*Rehab- Capped</u>
Investment	\$500,000	\$900,000	\$2,000,000
Threshold	- <u>\$100,000</u>	- <u>\$500,000</u>	- <u>\$100,000</u>
Grant Eligible	\$400,000	\$400,000	\$1,900,000
Grant Rate	<u>x .20</u>	<u>x .20</u>	<u>x .20</u>
			\$380,000
Grant	\$80,000	\$80,000	\$100,000

Exceeds Grant
Max

2019 Legislative Change

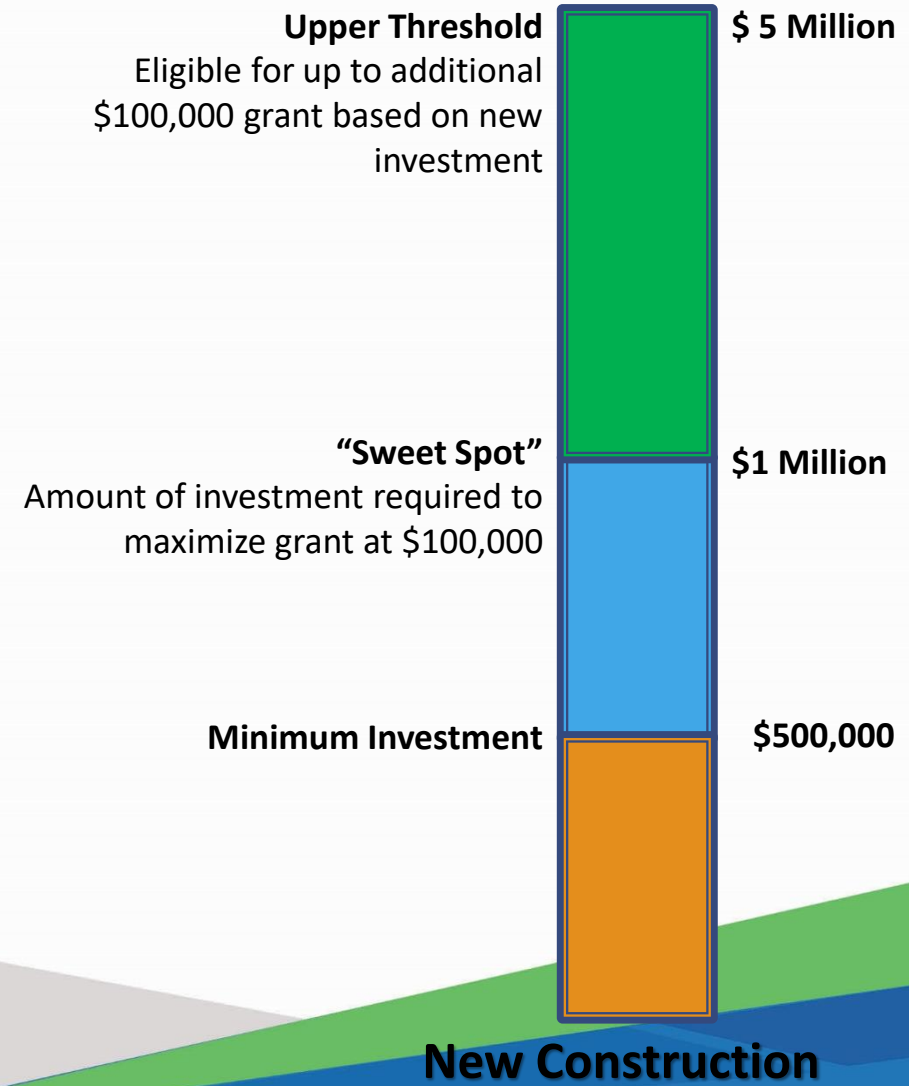
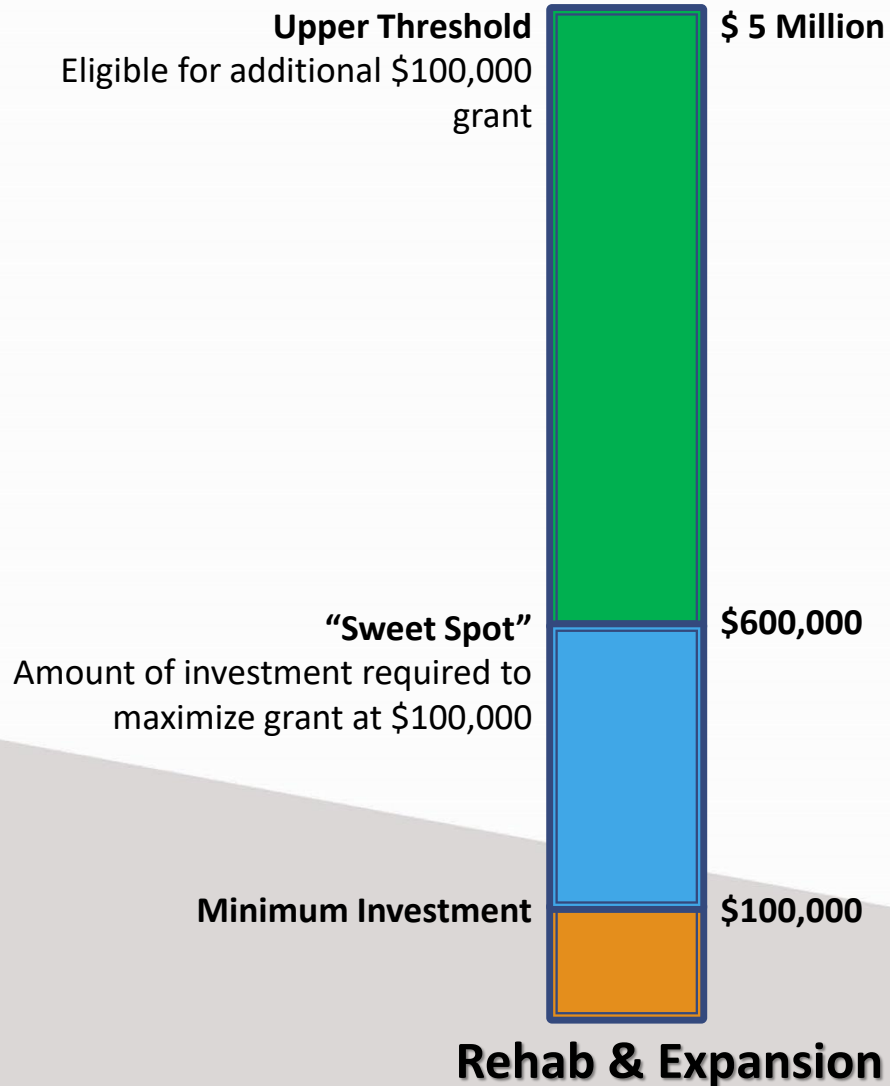
- ▶ A change to RPIG was made in 2019
- ▶ Allows projects with solar components to qualify at lower thresholds
- ▶ Solar only improvements of \$50,000 to \$100,000 qualify with **\$0** threshold
- ▶ Solar as part of larger project lowers threshold by **\$50,000**



Calculation Examples (Solar)

Examples:	<u>Solar Only</u>	<u>New w/ Solar</u>	<u>Rehab w/ Solar</u>
Investment	\$75,000	\$900,000	\$500,000
Threshold	- <u>\$0</u>	- <u>\$450,000</u>	- <u>\$50,000</u>
Grant Eligible	\$75,000	\$450,000	\$450,000
Grant Rate	<u>x .20</u>	<u>x .20</u>	<u>x .20</u>
Grant	\$15,000	\$90,000	\$90,000

RPIG: Investment Continuum



Grant Year 2020 Application Submittal Process

RPIG Application Process

- ▶ RPIG eligibility is determined by the Calendar Year the property is Placed in Service.
 - ❖ To be eligible for GY 2020, a property must have been placed in service **January 1, 2020 – December 31, 2020.**

- ▶ A copy of the Placed In Service documentation must be submitted with all RPIG applications. Examples include:
 - ❖ **Final Certificate of Occupancy**
 - ❖ **Final Building Inspection**
 - ❖ **Final Third Party Inspection** *(Only acceptable if the project does not require any permits!)*

RPIG: Required Materials

- ▶ **Online:** Form EZ-RPIG must be submitted by 11:59 PM (EDT) April 1, 2021.
 - ❖ Applications are not done through CAMS!
 - ❖ **NEW in 2020** - Attachments can be uploaded through the portal

- ▶ **Hard Copy (if necessary):** Must be post-marked on or before April 1, 2021.
 - ❖ Form EZ-RPIG
 - ❖ Supplemental Forms (when applicable)
 - ❖ Placed in Service Documentation
 - ❖ Commonwealth of Virginia W-9
 - ❖ CPA Attestation Report (*Should be submitted with application – not after deadline!*)

All application materials and the link to submit Form EZ-RPIG are available on the EZ Online Application Submission Site:

<https://dmz1.dhcd.virginia.gov/EZonePortal/>

Form EZ-RPIG

- ▶ **Organized into seven parts**
 - ❖ **Part I: Background Information**
 - ❖ **Part II: Placed-in-Service Documentation**
 - ❖ **Part III: Qualified Investments**
 - ❖ **Part IV: Qualification Information**
 - ❖ **Part V: Contact Information**
 - ❖ **Part VI: Application Information**
 - ❖ **Part VII: Declaration**

Part I: Background Information

PART I: BACKGROUND INFORMATION

1. Qualified Zone Investor's Legal Name		2. Type of Zone Investor (check one) <input type="checkbox"/> Owns building - occupant <input type="checkbox"/> Owns building - non-occupant <input type="checkbox"/> Owns space in building (i.e. office condo) <small>Supplemental Form required</small> <input type="checkbox"/> Tenant in building <small>Supplemental Form(s) required</small> <input type="checkbox"/> Developer (not owner) <small>See Page 10 of Manual</small>	
3. Federal Employment ID# (FEIN)/Social Security Number (SSN)	2-Digit EID Suffix (if applicable)		
4. Physical Address of Zone Establishment	Town/County/City	Zip Code	
5. Real Property Use Classification (check one) <input type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Mixed Use <small>Supplemental Form required</small>		6. Type of Real Property (check one) <input type="checkbox"/> Building <input type="checkbox"/> Facility	
7. Type of real property investment that was made: <input type="checkbox"/> Rehabilitation of an existing building/facility <input type="checkbox"/> Expansion of an existing building/facility <input type="checkbox"/> New Construction <input type="checkbox"/> Solar only (\$50,000 to \$100,000) <input type="checkbox"/> Rehab/expansion with solar <input type="checkbox"/> New construction with solar		8. Property Identification Number(s) <small>See Page 16 of Manual</small>	
9. Zone Name	10. Zone #	11. Zone Designation Date / /	12. Name of Local Zone Administrator
13. Signature of Local Zone Administrator verifying that the physical address, type of real property, and property identification number listed on EZ-RPIG Part I, Boxes 4, 5, and 8 is correct and the property is in the Enterprise Zone identified in Box 9 above.			
Signature		Date	

Part II: Placed-in-Service Documentation

PART II: PLACED-IN-SERVICE DOCUMENTATION


A. ☒ CERTIFICATE OF OCCUPANCY ☐ FINAL INSPECTION ☐ THIRD PARTY INSPECTOR'S REPORT

B. Please explain any differences in the name and address listed on the final Placed-in-Service documentation from the name and address listed in Part I, Boxes 1 and 4. You may attach a letter to the hard-copy submission if additional space is required to explain discrepancies. A letter from the locality may not be provided in lieu of placed-in-service documentation if a Certificate of Occupancy or Final Building Inspection was required by the locality. Documentation should be dated within Calendar Year 2020.

Part III: Itemized List of QRPI

<u>Qualified Real Property Investment</u>		<u>Dollar Amount</u>
1. Carpentry		\$28,628.10
2. Electrical		\$14,791.20
3. Concrete		\$39,611.21
4. Demolition		\$12,385.00
5. Doors & Windows		\$2,561.27
6. Drywall		\$22,500.00
7. HVAC		\$16,037.10
8. Masonry		\$80,081.80
9. Steel		\$29,311.00
10. <input type="text"/>		<input type="text"/>
11. <input type="text"/>		<input type="text"/>
12. <input type="text"/>		<input type="text"/>
13. <input type="text"/>		<input type="text"/>
14. <input type="text"/>		<input type="text"/>
15. <input type="text"/>		<input type="text"/>
16. <input type="text"/>		<input type="text"/>
17. <input type="text"/>		<input type="text"/>
18. <input type="text"/>		<input type="text"/>
19. <input type="text"/>		<input type="text"/>
20. <input type="text"/>		<input type="text"/>
21. Total Qualified Real Property Investment		\$245,906.68 <i>Amount to Enter in Box 3A</i>

Example


The sum of the qualified real property investments is automatically calculated online and populates Part III, Box 3A.

Part IV: Qualification Info

PART IV: QUALIFICATION INFORMATION

1. Date Real Property Placed in Service (MM/DD/YYYY) <ul style="list-style-type: none">To verify this date <u>attach a copy</u> of the final Certificate of Occupancy, final building inspection (approved by local jurisdiction), or a licensed third party inspector's report in cases where project did not require a permit.When submitting a licensed third party inspector's report, applicant must also <u>attach a letter</u> from the local Building Official verifying that project did not require any permits.	1. / /2019
2. Qualification is requested for calendar year:	2. 2019
3. Grant Calculation:	
A. Actual dollar amount of qualified real property investments made by applicant:	3A. \$
B. Applicable investment threshold based on the type of real property investment:	3B. \$
C. Amount of public grant funds received and used to fund qualified real property investments	3C. \$
D. Grant eligible dollar amount (Box 3A minus Box 3B and Box 3C):	3D. \$
E. Multiply Box 3D by 20%. This is the amount of grant the zone investor is requesting. <ul style="list-style-type: none">For investments (3A) less than \$5 million, this amount cannot exceed \$100,000.For investments (3A) of \$5 million or more, this amount cannot exceed \$200,000. <small>Tenants or zone investors who own a space within a building cannot request the maximum grant amount if they did not coordinate qualification or receive owner consent.</small>	3E. \$
4. Real Property Investment Grants previously issued to this building or facility. <small>See RPIG Award Schedule.</small>	
A. Have real property investment grants been awarded to the building or facility in the last four years? <i>If yes, complete Box 4B.</i>	4A. <input type="checkbox"/> YES <input type="checkbox"/> NO
B. If yes, indicate the total amount received in previous years. <i>The sum of 3D and 4B shall not exceed the applicable \$100,000 or \$200,000 investment, per the regulations in Box 3D.</i>	4B. \$

Must indicate the amount of any public funds and previous RPIG awards within current 5-year cycle.

RPIG: Supplemental Forms

Supplemental forms are required if...

- ▶ Investments were made to a mixed-use building
 - ❖ Form EZ-RPIG Mixed-Use
- ▶ The Zone Investor is a Tenant
 - ❖ Form EZ-RPIG Tenant-Owner Consent
 - ❖ Form EZ-RPIG Tenant Coordination (if required by owner)
- ▶ The Zone Investor owns a space within a building/facility:
 - ❖ Form EZ-RPIG Multiple Owner

All Supplemental Forms are
Available on the DHCD
website and the EZ
Application Portal.

RPIG: Mixed-Use Buildings**

**If Applicable

- ▶ **Form EZ-RPIG Mixed-Use** verifies that **at least 30% of useable square footage** in building is devoted to commercial, office, or industrial use.
- ▶ If there are **common areas** that are accessible to the commercial space, this may be counted toward the commercial SF. **Example:** Lounge or Conference Room
- ▶ **Form EZ-RPIG Mixed-Use** must be completed by the preparer of the measured drawings/plans for work done to the referenced building.
 - ❖ The preparer of plans must be a **licensed, third-party**, architect, surveyor, or draftsman.
 - ❖ The CPA will review the status of the license during the attestation process.

RPIG: Grant Coordination**

**If Applicable

- ▶ Supplemental Forms **EZ-RPIG Tenant Coordination** and **EZ-RPIG Multiple Owners** ensure that no more than the applicable grant cap is requested within a **five-consecutive year period** for the building or facility.
- ▶ In cases where owners and tenants do not coordinate, **DHCD will determine the maximum grant amount** available based on the cumulative amount of real property investment made to the property or proportion of square footage leased/owned by the Zone Investor.

RPIG: Common Errors

- ▶ **Placed in Service documentation is not final or indicates pending work or a failed inspection.**
 - ❖ The Zone Investor must apply for the GY associated with the Calendar Year of their Final documentation.
- ▶ **Placed in Service documentation for consecutive phases of a project were received in a different calendar year.**
 - ❖ RPIG eligibility is based on the Calendar Year that each CO was received, and therefore, each CO would require separate applications.
 - ❖ Where **multiple phases** of work were completed on a single building/facility within the **same calendar year**, the Zone Investor must only meet the minimum investment threshold once for that project.

Example: If a Zone Investor completed a roof renovation and got a final CO in 2020, and then completed an interior renovation and got a final CO also in 2020, the Zone Investor may submit both phases of work on a single application. However, if the CO for the interior renovation was issued in January 2021, it would require a separate application for Grant Year 2021 which would need to meet the threshold independently of the roof investment.

RPIG: Common Errors

- ▶ **Application spans multiple addresses (facility) but CO only references one address.**
 - ❖ Zone Investors can only apply for work covered under the placed in service documentation. If the work covered multiple addresses, multiple COs should be presented or the CO should reflect all addresses. This should be noted on Form EZ-RPIG!
- ▶ **Differences in address entered from one year to another.**
 - ❖ Make sure the physical address is exactly the same as in previous RPIG applications. (North vs. N., Street vs. St., etc.)
 - ❖ If the grant cap is exceeded due to address errors/confusion, grant awards must be repaid to Commonwealth.
- ▶ **Properties improperly identified as buildings instead of a facility.**
 - ❖ Grants are capped per building/facility. The property must be correctly identified so that applicable grant caps are not exceeded. Contact DHCD staff if unclear.

RPIG: Common Errors

- ▶ **Vague or conditional items listed on the schedule of investments.**
 - ❖ It is best to break down and individually list all investments. Instead of “Site Work” include the specific items such as: *Excavation, Concrete, General Conditions*
- ▶ **Lack of detail when including conditional items.**
 - ❖ A list of conditional items can be found on Page 12 of the 2020 RPIG Instruction Manual.
 - ❖ *Example: Don't list 'Change Orders'. Do list 'Additional Flooring Work'*

RPIG Follow-up

▶ Monitoring

- ❖ DHCD monitors RPIG recipients annually at random.

▶ Record-keeping

- ❖ Grantees must maintain all documentation regarding qualification for the RPIG for a minimum of **three years following** the receipt of a grant.
- ❖ Grant recipients that do not have adequate documentation regarding qualified real property investments may be subject to **repayment** of some or all of their grant award.

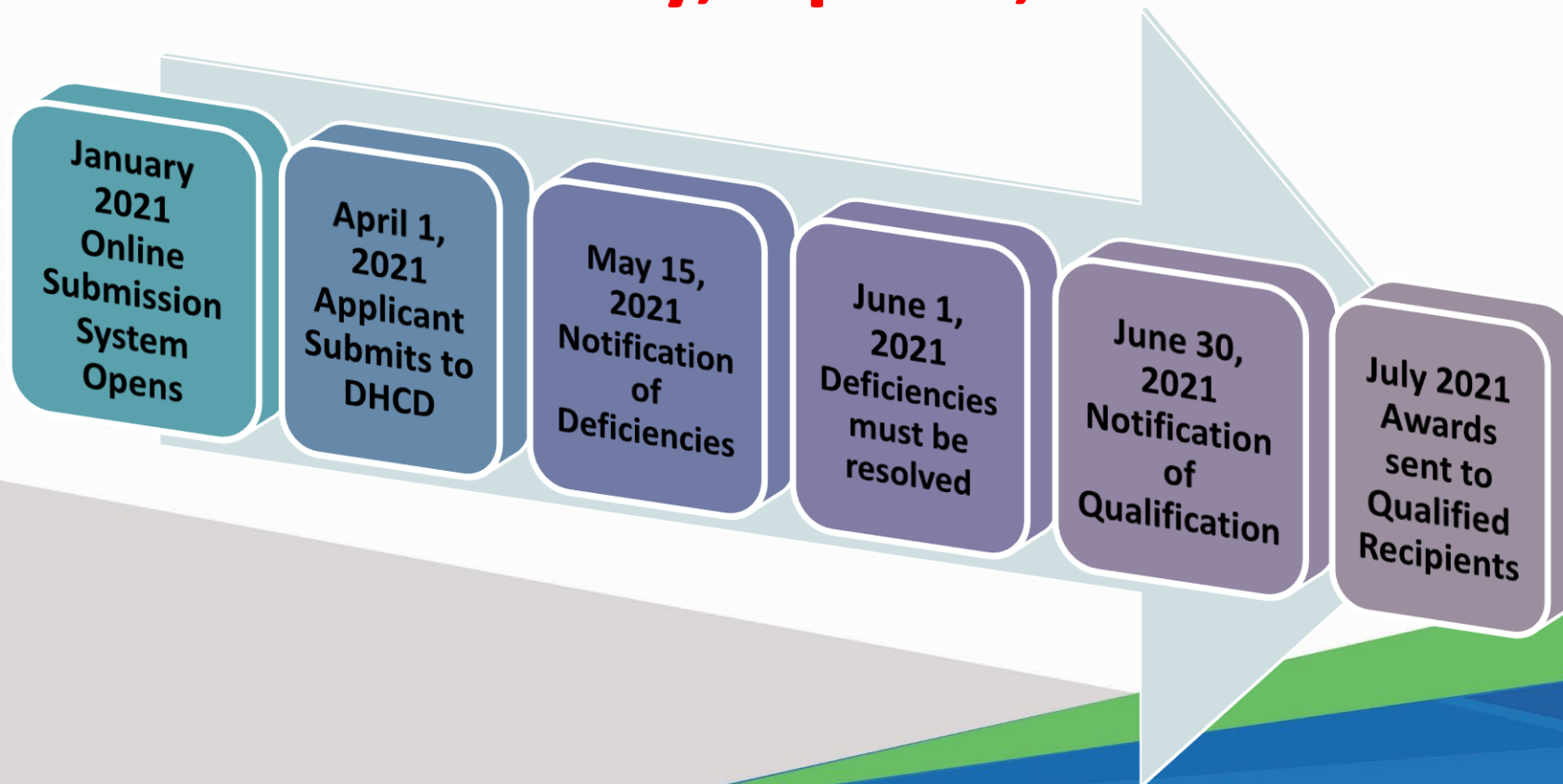
Budget & Proration

- ▶ The General Assembly has allocated **\$14.5 million** to fund GY 2020 Job Creation Grants and Real Property Investment Grants.
- ▶ Job Creation Grants receive **funding priority** and are paid in full first, with the remainder being disbursed pro-rata to RPIG applications.
- ▶ Proration is calculated upon grant disbursement in June-July each year. Proration projections are not available.

GY 2018 was prorated at 74%
GY 2019 was prorated at 83%

Grant Year 2020 Timeline

**GY 2020 applications are due
Thursday, April 1, 2021.**



Funds Disbursement

- Please note that DHCD can only accept the Commonwealth of Virginia W-9 Form, available at http://www.doa.virginia.gov/Forms/W9_COVSubstitute.pdf

Form W-9 Commonwealth of Virginia Substitute W-9 Form Revised July 2014		Request for Taxpayer Identification Number and Certification			
Taxpayer Identification	<input type="checkbox"/> Social Security Number (SSN)		Please select the appropriate Taxpayer Identification Number (EIN or SSN) type and enter your 9 digit ID number. The EIN or SSN provided must match the name given on the "Legal Name" line to avoid backup withholding. If you do not have a Tax ID number, please reference "Specific Instructions - Section 1." If the account is in more than one name, provide the name of the individual who is recognized with the IRS as the responsible party.		
	<input type="checkbox"/> Employer Identification Number (EIN) <div> </div>				
	Dunn & Bradstreet Universal Numbering System (DUNS) (see instructions) <div> </div>		Legal Name: <div> </div>		
			Business Name: <div> </div>		
	Entity Type		Entity Classification		Exemptions (see instructions)
<input type="checkbox"/> Individual <input type="checkbox"/> Corporation		<input type="checkbox"/> Professional Services <input type="checkbox"/> Medical Services		Exempt payee code (if any): <div> </div>	
<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> S-Corporation		<input type="checkbox"/> Political Subdivision <input type="checkbox"/> Legal Services		(from backup withholding) <div> </div>	
<input type="checkbox"/> Partnership <input type="checkbox"/> C-Corporation		<input type="checkbox"/> Real Estate Agent <input type="checkbox"/> Joint Venture			
<input type="checkbox"/> Trust <input type="checkbox"/> Disregarded Entity		<input type="checkbox"/> VA Local Government <input type="checkbox"/> Tax Exempt Organization		Exemption from FATCA reporting code (if any): <div> </div>	

2020 Application Process

1. **Applicant confirms with Local Zone Administrator that business or property is within the boundaries of a zone.**
2. **Applicant enters an Engagement Agreement with an independent, licensed CPA.**
3. **Applicant gathers and completes application material.**
4. **CPA reviews application materials and prepares Attestation Report.**

Application Process Cont'd.

5. Applicant submits application online via the [EZ Application Submission System](#) (You will be prompted to save and print a hard copy *after* hitting submit).
6. Applicant obtains the [signature of the Local Zone Administrator \(LZA\)](#) on the [hard copy](#) of application form. **FOR 2020 ONLY** - if the Zone Investor is unable to obtain a signature – either scanned or original – from the LZA, an email from the LZA stating that the subject property or business is located within the zone.
7. **NEW IN 2020** – attachments can be uploaded through the portal, including those document requiring signatures.
8. Applicant sends DHCD signed hard copies, if necessary, of all application materials including the CPA Attestation Report. Applications must be postmarked by [April 1, 2021](#).

Submission of Hard Copies

Delivery methods:

- ❖ Online submission of all attachments is highly encouraged, but not required.
- ❖ Certified mail, return receipt requested—postmarked by **April 1, 2021**.
- ❖ UPS, Fed Ex or other services where shipping can be tracked with a shipped date no later than April 1st.
- ❖ Hand-delivery by close of business April 1st. (not recommended)
- ❖ If submitting more than one grant application, each application and respective materials should be sent in separately.

Upload Documents to the EZ Portal

UPLOAD DOCUMENTS

Applicant Declaration Form

No file chosen

Placed in Service Documentation

No file chosen

CPA Attestation Report Form

No file chosen

Form EZ-RPIG Multiple Owner (If Applicable)

No file chosen

Form EZ-RPIG Tenant-Owner Consent (If Applicable)

No file chosen

FORM EZ-RPIG - Tenant Coordination (If Applicable)

No file chosen

FOR EZ-Mixed-Use (If Applicable)

No file chosen

Itemized List of Qualified Real Property Investments (Continued, If Applicable)

No file chosen

COV Form W-9

No file chosen

LZA Review

No file chosen

Email Confirmations

- ▶ Email addresses must be provided with application.
- ▶ Grant applicants will receive **email correspondence** from DHCD throughout the application process...
 - ❖ *Successful Submission of Online Application*
 - ❖ *Receipt of the Hard Copy Application*
 - ❖ *Deficiencies or Request for More Information*
 - ❖ *Confirmation that Deficiencies Have Been Resolved*
- ▶ DHCD recommends applicants **print and keep a copy of email** notifications with their grant records

Any questions about RPIG?



Agreed-Upon Procedures for RPIG

CPA Agreed-Upon Procedures

- ▶ CPA attestation to application information is required by statute [§59.1-549](#).
- ▶ The attestation must be performed through [DHCD's Agreed-Upon Procedures](#) under the attestation standards established by the American Institute of CPAs.
- ▶ The attestation report and documented procedures are used by DHCD when processing & monitoring grants.
- ▶ Any discrepancies between Attestations and DHCD findings will be reported to the [Board of Accountancy](#) and may require repayment of some or all of the grant award.

CPA Agreed-Upon Procedures

- ▶ Provides an overview of eligibility requirements, required grant documentation, applicant and CPA responsibilities, FAQ text boxes, [hyperlinks to definitions](#), and an outline of the Agreed-Upon Procedures.
- ▶ The first half of the manual covers JCG Attestation process and the second half covers [RPIG Attestation](#) process.
- ▶ A sample [engagement letter](#) template as well as the required attestation report forms are available on the EZ website.

CPA Attestation Requirements

- ▶ CPAs **MUST** use DHCD's CPA Attestation Report Forms.
- ▶ Reports should clearly indicate that each procedure was performed in its entirety.
- ▶ Reports must state the findings for each procedure and should **avoid vague or ambiguous language**.
- ▶ Applications with reports where no findings are reported or only the CPA's initials are listed will be considered **incomplete** and will not be processed until the report is re-submitted. **Initials are not considered an adequate report.**

Late Attestations

- ▶ Applications submitted without the Attestation will be considered **LATE**.
- ▶ Late applications will be processed on a first-come, first served basis **IF** funds remain after on-time applications are processed.
- ▶ For the past six grant cycles, no late applications were considered, as all allocated funds were expended on the initial round of applicants.

RPIG: Agreed-Upon Procedures

► The CPA must perform the following procedures and report findings after each procedure:

1. Attestation of Completed Application
2. Attestation of Qualified Real Property Investments
3. Attestation of Placed in Service Documentation
4. *Attestation of Square Footage for Mixed-Use buildings***
5. *Attestation of Owner's of Space in Building***
6. *Attestation of Tenant(s) in Building***

***If applicable*

RPIG AUP: Procedure 1

Attestation of Completed Application:

- ▶ The CPA will read the Real Property Investment Grant **Form EZ-RPIG** and report that all required attachments have been prepared in the prescribed format and Form EZ-RPIG contains the **signed declaration**.
- ▶ Completed Apps include EZ-RPIG and the following documentation:
 - ❖ **Commonwealth of Virginia W-9**
 - ❖ **Final Placed in Service Documentation**
 - ❖ ***If applicable: Signed & Notarized Supplemental Forms:***
 - ❖ **Mixed-Use Form**
 - ❖ **Multiple-Owner Form**
 - ❖ **Tenant-Owner Consent Form**
 - ❖ **Tenant Coordination Form**

RPIG AUP: Procedure 2

Attestation of Qualified Real Property Investments:

- ▶ The CPA will review the schedule of **Qualified Real Property Investments** (Part III of Form EZ-RPIG) including the **cost categories** qualifying for the Enterprise Zone, and will **report any items he or she is uncertain of** with the corresponding dollar amount in the attestation report.
- ▶ The CPA will compare the schedule of Qualified Real Property Investments to the **general ledger entries** to determine that the items and costs listed on the schedule were charged to the appropriate account, and will **report any items that are not charged to these accounts**.

RPIG AUP: Procedure 2

Attestation of Qualified Real Property Investments:

- ▶ The CPA will review **100 percent** of the invoices, receipts, AIA reports, and any other relevant documentation of construction expenses, and will report whether charges were **properly chargeable to a capital or expense account**.
- ▶ The CPA shall review the schedule of Qualified Real Property Investments determine whether QRPI reported on Form EZ-RPIG **meets the minimum investment threshold**, as established by § 59.1-548:
 - ❖ \$100,000 for rehabilitation/expansion
 - ❖ \$500,000 for new construction
 - ❖ \$0 solar only
 - ❖ \$50,000 solar w/ rehab/expansion
 - ❖ \$450,000 solar w/ new construction

RPIG AUP: Procedure 3

Attestation of Placed in Service Documentation:

- ▶ The CPA will contact the locality to verify that the placed in service document is final and no other documentation was issued or is pending:
 - ❖ Final Certificate of Occupancy (CO)
 - ❖ Final Building Inspection
 - ❖ Third-Party Inspection Report
- ▶ The CPA will ensure the property was placed in service in **Calendar Year 2020**.
- ▶ If Placed in Service Documentation is only for a portion of the building/facility, scheduled items must correspond.

RPIG AUP: Procedure 4***

**If Applicable

Attestation of Square Footage for Mixed-Use Buildings:

- ▶ The CPA will determine that where applicable, **Form EZ-RPIG Mixed-Use** has been “completed by the preparer of the measured drawings/plans submitted to the locality” and that it contains the **Professional Seal (AIA)** or **Notarized Signature** of the preparer (or representative of the preparer) of the drawings, if not an architect.
 - ❖ Virginia DPOR License Lookup: www.dpor.virginia.gov
- ▶ The CPA will determine that the math used to calculate **Part II, Box 4** is correct; and that **at least 30 percent of the useable floor space in the building** is devoted to commercial, industrial, or office use.

RPIG AUP: Procedure 5**

**If Applicable

Attestation of Owners of Space in Building:

- ▶ The CPA will determine that where applicable, **EZ-RPIG Multiple-Owner**, has been completed with notarized signatures of both Tenant and Owner.
- ▶ The CPA will determine that the square footage information indicated in the closing documents or deed of trust is accurately indicated on the supplemental form for Zone Investors who own space in a building.
- ▶ The CPA will determine that the math used to calculate **Part II, Box 3** is correct; and that requested grant amount corresponds to the requested amount on Form **EZ-RPIG, Part IV, Box 3E**.

RPIG AUP: Procedure 6***

**If Applicable

Attestation of Tenant(s) in a Building:

- ▶ The CPA will determine that where applicable, **EZ-RPIG Tenant-Owner Consent**, and EZ-RPIG Tenant Coordination (if required by owner) have been completed with **notarized signatures** from all parties, and the Applicant has provided documentation (**valid lease**) that agrees with **Part III Boxes 1 and 2** of the Tenant-Owner Consent Form.
- ▶ The CPA will determine that the math used to calculate **Part III, Box 3** is correct; and that requested grant amount corresponds with **Form EZ-RPIG, Part IV, Box 3E**.

Any questions about the CPA Agreed-Upon Procedures for Attestation?



Application Information

- ▶ Additional information about the EZ Program and the application process can be found on the EZ Page on DHCD website: www.dhcd.virginia.gov/vez
- ▶ The online submission system is open: <https://dmz1.dhcd.virginia.gov/EZonePortal/>

And Remember...Applications are due by

April 1, 2021

Early submittals are highly encouraged!

Tips

- ❖ Assemble all of your materials and attachments BEFORE you begin the application. The system will time out and will not save your work if you leave it for a period of time.
- ❖ Use Google Chrome, if possible
- ❖ The W-9 MUST match the FEIN in the application. If you are a *disregarded entity* for legal purposes, the applicant for RPIG must be the taxable entity (individual or another LLC).
- ❖ We communicate primarily via email (to keep written records), therefore, please use an email address that is active and regularly monitored.

Any Questions?



DHCD Contact Info

Joy Rumley

Program Manager

Rebecca Rowe

Associate Director

ezone@dhcd.virginia.gov

(804) 371-7171



THANK YOU!